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**INTELLIGENCE REPORT**

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COUNTRY Germany/Berlin

**SUBJECT** Current Political Situation in Berlin

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## ORIGIN

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**SUPPLEMENT**

1. The most significant political development of recent months in Berlin has been the gradual disillusionment in, and increasing bitterness toward, the occupying powers among the leaders and the rank-and-file of the Social Democratic Party. This feeling on the part of the SPD, which, in spite of the occasionally demagogic speeches of Schumacher, must be considered the only mass party in Germany coming anywhere near to our principle of democracy, has two closely connected causes. The first reason is the 100 percent obstructionist attitude the Russian authorities have adopted toward the Party, and the second is the inability or the unwillingness of the Western Powers to assist the SPD in discharging the mandate it received from the population of Berlin in the free and democratic elections of 20 October 1946. As a result of that election, in which the SPD won an overwhelming victory in all four sectors of the city, and which has been hailed both in Germany and abroad as a victory for Western democracy and a corresponding defeat for the forces supporting Communism (in Berlin the SED), the SPD was called upon by the Allied Komandatura to assume the municipal administration. On the administrative side, this meant that the SPD would appoint Bürgermeisters and Deputy Bürgermeisters in nineteen of the twenty boroughs, in addition to about seventy percent of the leading positions in the Magistrat. On the legislative side, the City Assembly, in which the SPD had a near majority, was expected to formulate, among others, legislation that may be required by the Magistrat to correct some of the more obvious wrongs of which the previous SED-dominated administration had been deemed guilty. According to the announcements made by the Commanding Generals of the four occupying powers prior to the election, legislation by the City Assembly need not have Allied approval, although the power of veto was retained.
2. The months since October 1947 have witnessed a Russian policy toward the new city administration which may well be characterized as a model of obstruction. It was assumed that the defeated SED would not show any real cooperation, and the obstructionist attitude of their twenty-odd representatives in the city assembly was discounted in advance as being unable to cause any real harm to the cause of good city government. But in the Komandatury, a certain amount of objectivity and fair play was expected, and it was precisely there that the cause of good government was undermined to such an extent that the resignation of the whole SPD Magistrat and City Assembly is not only a much discussed possibility, but even a probability. The City Assembly has passed, on recommendation of the Magistrat, seventy-eight laws up to this date. Of the seventy-eight laws, the Russians have vetoed seventy-five, bringing city government to a virtual standstill. At the same time, the Russian-controlled press and the SED have made the most violent attacks upon the city administration for their ineffectiveness, and ineffectiveness caused solely by the absolutely deadly use

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of the veto power by the Russian representative in the Allied Komendatura. The Russian distaste for action of the City Assembly is most catholic. One day, for instance, they veto legislation reducing the number of municipal employees, and the next day they veto the appropriation to pay the existing number of employees on the grounds that there were too many of them. (This actually happened.) At the same time, the Russians prevented the SPD from removing any but the top officials of the old SPD-dominated city administration by the means of arbitrarily classifying over four-hundred positions as "key posts", any change in which required quadripartite approval. Thereby, the resignation or removal of people like Markgraf was prevented, and even if the SPD was lucky enough to succeed in removing the SPD incumbent through criminal prosecution - or may be he died in office - no unanimous agreement could be obtained except on SED members. As a result, the expected self-autonomy of the Berlin City government became a farce, a fact realized most clearly by those responsible for the government. The conviction has been growing among the SPD leaders that it may be the wiser course to accept the realities of the situation, i.e., that a political party is in no position to oppose the Russian occupying power, draw the consequences, resign, and leave the field in Berlin to the SED.

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